

SBC - Connecticut Study

**Presubscribed Interexchange Carrier (PIC) Change Charge
Nonrecurring Cost Study**

2005-2008

August 2005



SBC Connecticut
Presubscribed Interexchange Carrier (PIC) Change Charge
Service Order
Nonrecurring Cost Study
2005 - 2008

Overview and Methodology

Purpose

The purpose of this cost study is to provide updated costs for PIC Change orders. For reference, an acronym glossary is included as a separate tab within this cost study.

Service Description

Presubscription is a procedure whereby an end user may select and designate to the Telephone Company an Interexchange Carrier (IC) to access, without dialing an access code, for interLATA calls. This IC is referred to as the end user's primary IC. A charge associated with interLATA is a PIC.

Rate Element Descriptions

Combination Manual PIC/LPIC Charge, Cost per Change

Combination Mechanized PIC/LPIC Charge, Cost per Change

Activity-Based Costing

Activity-Based Costing is a widely used method of identifying costs. The structure of an ABC study is based on the fact that activities performed by the company consume resources, and these resources have a specifically identifiable cost. Activities, then, are used to provide services. This gives a logical, easy-to-follow flow through the costing procedure.

Activity-Based Costing uses a number of specific terms, such as *resource*, *activity*, *cost object*, and *drivers* which have simple, yet special meanings.

- A *resource* can be a piece of equipment, a labor rate, or a vendor contracted expense.
- An *activity* is an action that consumes resources. The cost of the activity is calculated based on the cost of the resources that the activity consumes, and the resource driver, or the quantity of resources the activity consumes.
- A *cost object* is a product (i.e., PIC Change).
- *Drivers* are specific units that represent quantities of activities and resources. For example, time in minutes, or orders per line may be drivers. Resource drivers are the quantity of resources consumed by an activity. Activity drivers are the number of activities necessary to provide the service.

The Basics of Activity-Based Costing are:

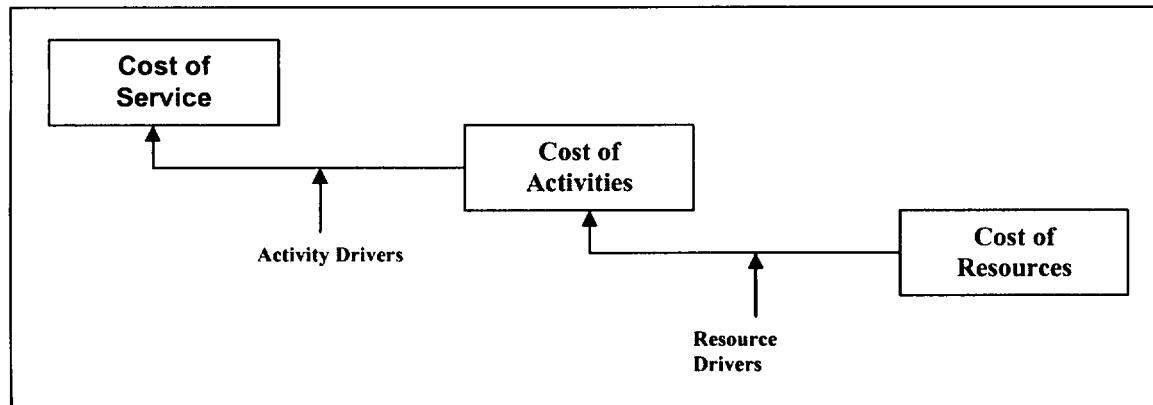
- Cost objects (i.e., services) are provided by activities.
- Activities consume resources.
- Consumption of resources drives costs.

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Figure 1 illustrates the flow of Activity-Based Costing.

Figure 1



Line and Change Quantity Efficiency

End user may have more than one access line and ask to have their PIC changed on multiple lines on the same request (or order). In addition, on the same request, the same end user may also request LPIC changes on the same lines. There are efficiencies associated with performing PIC changes on multiple lines and performing a LPIC change at the same time as a PIC change. This efficiency is included in the cost results.

The SMEs provided time estimates that represent the total activity time required to make all changes on all lines on an average size request. In other words, the SMEs, based on their experience processing requests, estimated an average number of changes required on a request and provided the total time to process all changes. The Bill of Costs tab adjusts the per request manual costs to per change by multiplying the resulting business channel costs by orders per change (or the inverse of changes per order), thereby accounting for any line and change quantity efficiencies resulting from multiple lines or changes per line on the same request.

Labor Rates

The labor rate represents the cost to SBC of a single hour of labor. The labor rate is inflated (based on the Consumer Price Index) to the midpoint of the study period to make the labor cost representative of the entire study period. A more detailed discussion of labor rates and inflation factors is found later in this methodology.

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Inflation Factors

Inflation Factors are utilized to provide one cost over a multi-year period. The inflation factors are developed by using the forecast of the Consumer Price Index (CPI). The CPI represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included.

Labor Rate Development Methodology

Labor rates identify the cost to the firm of consuming a particular resource—an hour of labor. Labor rates begin with a basic hourly wage or salary, and then include costs directly caused by labor that are not captured in the basic wage. These other direct labor costs include:

- break time and/or tour length costs,
- paid absence costs,
- special payments such as team awards and recognition,
- payroll taxes, pension costs, benefit costs,
- support assets, including capital costs associated with support assets
- Other direct costs such as travel and training, and clerical support and supervision.

Labor rates are developed at the proper level of detail to provide accurate costs for specific activities. First, SBC looks at specific groups of function codes (which designate a specific job function) or activity codes (which designate a specific job activity). These function/activity codes are part of SBC's functional accounting system used to report expenses company-wide. For example, 21XX is the group of all wages and expenses charged to function codes or activity codes that begin with "21", which in this example represents Operator Services functions and activities.

Within the specific group, SBC develops labor rates by Market Zone (for management employees) or Wage Category (for non-management employees). The Market Zone and Wage Category are specific job classifications that determine how much the company pays for a particular job.

The Labor rates in this study begin with an average wage per hour from payroll records. SBC derives relationships of expenses to wages, or expenses to hours worked, to develop labor factors or loadings that it then applies to basic wages to produce total hourly labor cost. All base labor rates in this study represent calendar year 2003. If SBC did not have current labor base rates for a particular state or job title, the most recent labor rate available was adjusted by bringing the basic wage portion of the labor rate current and updating the benefit factor using the most recent data available.

For more information, separate Labor Rate Development documentation is available.

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Cost Study Assumptions and Parameters

- TSLRIC Methodology
- Slamming costs are included in the PIC change charge
- Study period is 2005 – 2008
- Labor Rates are base year 2003 adjusted to 2006, which is the midpoint of the planning period (2005 – 2008)

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Results					
(A)	(B)	(C)	(D)	(E)	
Line	Cost Element	Total Cost Source: <i>Bill of Costs</i>	Overhead Factor Source: <i>Input</i>	Total Rate $(E)=(C)*(1+D)$	
1	Manual PIC / LPIC Combination, Cost per Change	\$5.87	32.17%	\$7.76	
2	Mechanized PIC / LPIC Combination, Cost per Change	\$2.47	32.17%	\$3.26	

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Bill of Costs

Bill of Costs						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Ln	Cost Element / Activities		Activity Driver (Orders per Change) Source: BOAC	Other Activity Driver Source: Drivers	Other Activity Driver Description	Activity Cost (G=C*D*E)
Manual PIC / LPIC Combination, Cost per Change						
1	Change PIC/LPIC for "Consumer Customer Care" customer	\$4.50	0.71	90.61%	% manual orders worked by Consumer Customer Care center	\$2.91
2	Change PIC/LPIC for "Global Markets" customer	\$42.42	0.02	1.03%	% manual orders worked by Global Markets center	\$0.01
3	Change PIC/LPIC for "Signature Accounts" customer	\$19.71	0.33	1.20%	% manual orders worked by Signature Accounts center	\$0.08
4	Change PIC/LPIC for "Value" customer	\$11.38	0.50	5.76%	% manual orders worked by Value center	\$0.33
5	Change PIC/LPIC for "GEM" customer	\$15.84	0.33	1.39%	% manual orders worked by GEM center	\$0.07
6	Provide Customer Account Record Exchange (CARE) support - All PIC and/or LPIC Changes	\$198,178	0.00000345	1/Total PIC/LPIC Changes	\$0.68	
7	Provide Slamming Administration support - All PIC and/or LPIC Changes	\$29,476	0.00000345	1/Total PIC/LPIC Changes	\$0.10	
8	Provide Service Order Computer Cost per Change	\$0.98	0.51			
9	Provide PIC IT Cost per PIC Change	\$0.46	n/a	Weighted Average PIC/LPICS Service Orders per Change	\$0.50	
10	Provide IT Implementation Cost per PIC Change	\$0.73	n/a		\$0.46	
11	Total Cost > SUM (LN 1....10)				\$0.73	\$5.87
Mechanized PIC / LPIC Combination, Cost per Change						
12	Provide Customer Account Record Exchange (CARE) support - All PIC and/or LPIC Changes	\$198,178	0.00000345	1/Total PIC/LPIC Changes	\$0.68	
13	Provide Slamming Administration support - All PIC and/or LPIC Changes	\$29,476	0.00000345	1/Total PIC/LPIC Changes	\$0.10	
14	Provide Service Order Computer Cost per Change	\$0.98	0.51	Weighted Average PIC/LPICS Service Orders per Change	\$0.50	
15	Provide PIC IT Cost per PIC Change	\$0.46	n/a		\$0.46	
16	Provide IT Implementation Cost per PIC Change	\$0.73	n/a		\$0.73	
17	Total Cost > SUM (LN 12....16)				\$2.47	

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Bill of Activity Costs							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Ln	Activities / Resources	Workgroup	Job Title	Unit Resource Cost (\$hr) Source: BORC			
				Resource Drivers	Minutes (Initial)	Percent Occurrence	Resource Cost (Rate/EFFC-G) Source: Input
<i>Change PIC/LPIC for "Consumer Customer Care" customer</i>							
1	Receive request from end user or XRC via the IVR and deliver to the next available service rep. Screen Pop provides customer information.	Consumer	Service Representative	\$63.08	0.50	100.00%	\$0.53
	Service Rep greets the customer.						
2	Access BOSS for customer verification: Clarify request, PIC, LPIC or both. Determine telephone numbers where changes are to be made.	Consumer	Service Representative	\$63.08	1.50	100.00%	\$1.58
3	Access SNAP to make PIC/LPIC change; validate carrier availability.	Consumer	Service Representative	\$63.08	1.50	100.00%	\$1.58
4	Transfer customer to SCRT team if customer alleged stem and drop off call. SCRT handles issues from here.	Consumer	Service Representative	\$63.08	1.00	4.00%	\$0.04
	Recap all elements of the order, provide due dates, charges and usage in SNAP command to SM01 and remain indicating TPV PIC/LPIC date and person that authorized change.						
5	Access SONAR & bring up order. Correct error. If unknown error code, look up error code in online system, and resend.	Consumer	Service Representative	\$63.08	0.75	98.00%	\$0.76
6	Access SONAR & bring up order. Correct error. If unknown error code, look up error code in online system, and resend.	Consumer	Service Representative	\$63.08	0.50	1.00%	\$0.01
7	Unit Activity Cost > SUM (Ln 1.....6)						\$4.50

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Bill of Activity Costs

Change PIC/LPIC for "Global Markets" customer						
8	Receive customer call to request PIC/LPIC change; customer records are reviewed.	Global	Service Representative	\$63.08	1.15	100.00%
9	Request customer to fax or email request.	Global	Service Representative	\$63.08	1.15	100.00%
10	Changing PIC/LPIC to SBC-East. LOA is emailed/faxed to customer.	Global	Service Representative	\$63.08	2.00	15.00%
11	Receives BRMS requests by Centrex support & reviews existing customer records.	Network Operations	Manager Technical Support	\$95.45	5.00	1.00%
12	Updates LSR in BRMS to include order due date send order request to service order reviewer. Service consultants do not issue service orders. Update switch.	Network Operations	Manager Technical Support	\$95.45	5.00	1.00%
13	Process LSR from BRMS and update Centrex database for 2100 requests. Generate and distribute Form 10767.	Network Operations	Network Translator	\$68.44	10.00	1.00%
14	Process LSR from BRMS and update Centrex database for 3100. Generate and distribute Form 10767.	Network Operations	Manager Technical Support	\$95.45	10.00	1.00%
15	Determine work to be done for 2100, review Form 10767. Prepare translations packet and flow into switch. Verify common block and sign off work in Team Database.	Network Operations	Network Tech - Electronic	\$91.61	30.00	1.00%
16	Determine work to be done for 3100, review Form 10767. Prepare translations packet and flow into switch. Verify common block and sign off work in Team Database.	Network Operations	Network Tech - Electronic	\$91.61	30.00	1.00%
17	Receive LOA. Copies prepared and will be returned to the customer with order information.	Global	General Office Associate	\$47.49	2.00	100.00%
18	Logs in fax/faxmail for tracking.	Global	General Office Associate	\$47.49	1.00	100.00%
19	Distributes request to service representative.	Global	Service Representative	\$63.08	30.00	100.00%
20	Access SONAR to place order using appropriate screen for PIC/LPIC.	Global	Service Representative	\$63.08	2.00	100.00%
21	End order and fill out cover sheet to be sent to customer to verify completion of order.	Global	Service Representative	\$63.08	3.00	5.00%
22	Access SONAR error reports are generated daily, bring up error, look up error code, correct, and resend order.	Global	Service Representative	\$63.08	1.30	100.00%
23	Fax cover sheet back to the customer and file.	Global	Service Representative	\$63.08		\$1.37
24	Unit Activity Cost > SUM (LN 8.....23)					\$42.42

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Bill of Activity Costs**Change PIC/LPIC for "Signature Accounts" customer.**

Requests to change PIC/LPIC is submitted; if reassignment is necessary access BRMS, review workload & determine if accounts need to be assigned or unassigned. If Centralink 2100 & 3100 (complex=assigned), request is sent to service consultant. If Centralink 1100 or flat rate (simple=unassigned), request is sent to service rep.

Review the request. If Centrallink 2100 or 3100 service consultant

reviews. To make this change a customer needs a toll contract and LOA on file. If no toll contract or LOA on file, fax LOA form to customer to complete and return. Service Consultant creates LSR in BRMS and sends to Centrex group (request goes to both Tech Support and Translations). Access account to determine what has to be changed in the common block. Order number and end users name.

Review the request. If Centrallink 1100 or flat rate, service rep reviews. To make this change a customer needs a toll contract and LOA on file. If no toll contract or LOA on file, fax LOA form to customer to complete and return. Service Consultant creates LSR in BRMS and sends to Centrex group (request goes to both Tech Support and Translations). Access account to determine what has to be changed in the common block. Order number and end users name.

28 Receives BRMS requests by Centrex support & reviews existing customer records.

Updates LSR in BRMS to include order due date, send order request to service order reviewer. Service consultants do not issue service orders. Update switch.

30 Process LSR from BRMS and update Centrex database. Generate and distribute Form 10767 (for 2100).

31 Process LSR from BRMS and update Centrex database. Generate and Network Operations Manager Technical Support

32 Review Form 10767 to determine work to be done. Prepare translations packet and flow into switch. Verify common block and sign off work in Team Database (for 3100).

33 Review Form 10767 to determine work to be done. Prepare translations packet and flow into switch. Verify common block and sign off work in Team Database (for 3100).

34 Distribute request by BRMS, based on product (2100 or 3100); & review for pending orders to determine impact.

Distribute request by BRMS, based on product (1100 or Flat Rate). Receives request for Centralink 1100 & flat rate. Access account in BOSS & review for pending orders to determine impact. Customer has to have a toll contract with SBC or a LOA on file to change the PIC/LPIC, add or remove PIC/LPIC block. If no toll contract or LOA on file, rep taxes LOA form to customer, instructs customer to complete and return before request can be completed. Rep files LOA.

36 BOSS copy and input order information required. Make any additional changes necessary. Release service order to SONAR.

37 From BOSS copy and paste order information (1100 or Flat Rate) additional changes necessary. Release service order to SONAR.

38 Access SONAR, error reports are generated daily, bring up error. Look up error code, correct and resend order.

39 Unit Activity Cost > SUM (LN 25,...,38)

25	BCS	Assistant Manager	\$103.78	2.00	100.00%	\$3.46
26	BCS	Service Consultant	\$86.23	5.00	20.00%	\$1.44
27	BCS	Service Representative	\$63.08	5.00	80.00%	\$4.21
28	Network Operations Manager Technical Support		\$95.45	5.00	1.00%	\$0.08
29	Network Operations Manager Technical Support		\$95.45	5.00	1.00%	\$0.08
30	Network Operations Network Translator		\$86.44	10.00	1.00%	\$0.11
31	Network Operations Manager Technical Support		\$95.45	10.00	1.00%	\$0.18
32	Network Tech - Electronic		\$91.61	30.00	1.00%	\$0.48
33	Network Tech - Electronic		\$91.61	30.00	1.00%	\$0.48
34	Service Order Reviewer		\$59.21	0.50	20.00%	\$0.10
35	BCS	Service Representative	\$63.08	1.00	80.00%	\$0.84
36	BCS	Service Order Reviewer	\$59.21	3.00	20.00%	\$0.58
37	BCS	Service Representative	\$63.08	9.00	80.00%	\$7.57
38	BCS	Service Order Reviewer	\$59.21	3.00	5.00%	\$0.15
						\$19.71

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Bill of Activity Costs

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Bill of Activity Costs						
Change PIC/LPIC for "Value" customer						
40 Answer call and acknowledges customer request.	BCS	Service Representative	\$63.08	0.50	100.00%	\$0.53
41 Clarity request. PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$63.08	4.00	100.00%	\$4.21
42 Alleges slam by customer, rep explains rights, issues connecting order to switch back, issues adjustments in BOSS & forwards to SCR1 for follow-up.	BCS	Service Representative	\$63.08	1.00	1.00%	\$0.01
43 If telephone number is SNAPable (simple account) SR issues order in SNAP to change PIC/LPIC.	BCS	Service Representative	\$63.08	1.50	30.00%	\$0.47
44 Access account in BOSS. If telephone number is non-SNAPable (complex account) access CIWIN35 & input order information. From BOSS copy and paste order information. Make any other changes necessary.	BCS	Service Representative	\$63.08	6.00	70.00%	\$4.42
45 Recap all elements of the order & offer additional assistance. Note BOSS account, issued order to change PIC/LPIC from/to, due date & order number, release order to SONAR.	BCS	Service Representative	\$63.08	1.50	100.00%	\$1.58
46 Access SONAR, bring up order, correct any errors and resend order	BCS	Service Representative	\$63.08	3.00	5.00%	\$0.16
47 Unit Activity Cost > SUM (LN 40....46)						\$11.38

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Change PIC/LPIC for "GEN" customer						
Request to change PIC/LPIC is received. If Centralink 2100 or 3100 Service Consultant reviews request; Customer has to have a toll contract with SBC or LOA on file to change, remove or add PIC/LPIC protection. If no toll contract or LOA, Rep taxes LOA for to customer to complete and return. Service Consultant files LOA. Access account to see what they have to determine what has to be changed in the common block.						
48	BCS	Service Consultant	\$86.23	5.00	20.00%	\$1.44
49	BCS	Service Representative	\$63.08	5.00	80.00%	\$4.21
50	Network Operations	Manager Technical Support	\$55.45	5.00	1.00%	\$0.08
51	Network Operations	Manager Technical Support	\$55.45	5.00	1.00%	\$0.08
52	Network Operations	Network Transistor	\$86.44	10.00	1.00%	\$0.11
53	Network Operations	Manager Technical Support	\$55.45	10.00	1.00%	\$0.11
54	Network Operations	Network Tech - Electronic	\$91.61	30.00	1.00%	\$0.46
55	Network Operations	Network Tech - Electronic	\$91.61	30.00	1.00%	\$0.46
56	BCS	Service Order Reviewer	\$59.21	0.50	20.00%	\$0.10
57	BCS	Service Representative	\$63.08	0.50	80.00%	\$0.42
58	BCS	Service Order Reviewer	\$59.21	3.00	20.00%	\$0.59
59	BCS	Service Representative	\$63.08	9.00	80.00%	\$7.57
60	BCS	Service Representative	\$63.08	3.00	5.00%	\$0.16
61	Unit Activity Cost > SUM (LN 48.....60)					\$15.84

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Bill of Activity Costs								
(A)	(B)	(C)	(D)	(E)	(F)	(G)		
				Unit Resource Cost (\$/hr)	Resource Driver	Resource Cost		
Ln	<i>Provide Customer Account Record Exchange (CARE) support - All PIC and/or LPIC Changes</i>	<i>Workgroup</i>	<i>Job Title</i>					
62	SBC - East CARE Support	CARE	Area Manager	\$73.25	52.0	\$38,080		
63	SBC - East CARE Support	CARE	Manager	\$78.08	168.4	\$129,882		
64	SBC - East CARE Support (collections)	CARE	Service Representative	\$58.07	52.0	\$30,198		
64	Unit Activity Cost > SUM (LN 62.....63)					\$198,178		
 <i>Provide Staffing Administration support - All PIC and/or LPIC Changes</i>								
65	Consumer Support	SCRT	Service Representative	\$63.08	31.2	\$19,881		
66	Business Support	SCRT	Manager	\$103.73	35.36	\$3,969		
67	Business Support	SCRT	Area Manager	\$128.08	47.84	\$6,126		
68	Unit Activity Cost > SUM (LN 65.....67)					\$29,476		

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Bill of Resource Costs							
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line	State	JFC	Work Group	Job Title	Labor Cost per Hour (1)	Factor to restate labor rate to current and adjust for inflation (2)	Adjusted Labor Cost per Hour (F/G)
1	CT	23XX	Consumer Global	Service Representative	\$58.86	1.0716	\$63.08
2	CT	23XX	Global	Service Representative	\$58.86	1.0716	\$63.08
3	CT	23XX	BCS	General Office Associate	\$44.32	1.0716	\$47.49
4	CT	23XX	BCS	Assistant Manager	\$96.82	1.0716	\$103.76
5	CT	22XX	Network Operations	Service Consultant	\$80.47	1.0716	\$86.23
6	CT	43XX	Network Operations	Manager Technical Support	\$89.07	1.0716	\$95.45
7	CT	27XX	Network Operations	Network Translator	\$62.00	1.0716	\$66.44
8	CT	43XX	Network Operations	Network Tech - Electronic	\$85.49	1.0716	\$91.61
9	CT	23XX	BCS	Service Order Reviewer	\$55.25	1.0716	\$59.21
10	CT	23XX	BCS	Service Representative	\$58.86	1.0716	\$63.08
11	IN	23XX	CARE	Area Manager	\$68.35	1.0716	\$73.25
12	OH	23XX	CARE	Manager	\$72.84	1.0716	\$78.06
13	TX	23XX	CARE	Service Representative	\$54.19	1.0716	\$58.07
14	CT	23XX	SCRT	Manager	\$96.82	1.0716	\$103.76
15	CT	23XX	SCRT	Service Representative	\$58.86	1.0716	\$63.08
16	CT	23XX	SCRT	Area Manager	\$119.50	1.0716	\$128.06

NOTES:

- (1) Source: "Input" Tab
- (2) Restate to Current and Inflation Calculations.

Labor Rate Base Year	Year	Value
2004 Wage Increase	2003	2.0%
2005 Wage Increase	2004	2.5%
2006 Wage Increase	2005	2.5%
Inflation to midpoint based on union contract increases	2006	1.0716

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Drivers					
ACTIVITY DRIVERS		Driver Description		Source: Input	
(A)	(B)	(C)	PIC/LPIC Changes per Order	(D)	Value (1/C)
Stand-Alone PIC Change					
1	Consumer PIC/LPIC Orders per Change	1.4	0.71		
2	Global PIC/LPIC Orders per Change	50	0.02		
3	Signature PIC/LPIC Orders per Change	3	0.33		
4	Value PIC/LPIC Orders per Change	2	0.50		
5	GEM PIC/LPIC Orders per Change	3	0.33		
6	Weighted Average PIC/LPICs Service Orders per Change	2	0.51		
(A)					
(B)		Percent Orders by Channel		Percent Manual Orders	
Line	Driver Description	Source: Input	Source: Input	Source: Input	Value (E)=(C)*(D)
7	% manual orders worked by Consumer Customer Care center	90.61%	100.00%	100.00%	90.61%
8	% manual orders worked by Global Markets center	1.03%	100.00%	100.00%	1.03%
9	% manual orders worked by Signature Accounts center	1.20%	100.00%	100.00%	1.20%
10	% manual orders worked by Value center	5.76%	100.00%	100.00%	5.76%
11	% manual orders worked by GEM center	1.39%	100.00%	100.00%	1.39%

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Drivers					
(A)	(B)	(C)	(D)	(E)	(F)
Line	Driver Description	Quantity Total PIC/LPIC Changes Source: Input	Value (1/C)	% Time Dedicated to Support East Region PIC/LPIC Source: Input (F=C*D*E)	Value (F=C*D*E)
12	1/Total PIC/LPIC Changes	289.952	0.000000345		
RESOURCE DRIVERS					
(A)	(B)	(C)	(D)	(E)	(F)
		Number of Employees Source: Input	Resource Time (annual hours) Source: Input		
13	CARE Area Manager Labor Hours	1	2,080	25%	520
14	CARE Manager Labor Hours	1	2,080	80%	1664
15	CARE Service Representative Labor Hours (collections)	1	2,080	25%	520
16	SCRT Service Representative Labor Hours	1	2,080	15%	312
17	SCRT Manager Labor Hours	1	2,080	1.7%	35.36
18	SCRT Area Manager Labor Hours	1	2,080	2.3%	47.84

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2005-2008

August 2005

Glossary	
ASC	Access Service Center Location where service representatives are employed. The ASC was previously called the ICSC (Interexchange Carrier Service Center).
BCS	Business Communication Services When an end user customer is not PICed to a carrier but uses a carrier's PIC code by dialing 1010 and the PIC plus the long distance number, the carrier does not have a relationship with that end user so they need the billing name and address to bill the customer.
BNA	Billing Name and Address The section of the cost study that shows the cost of each resource. Resources can be labor such as a service representative's time or equipment such as a multipurpose position. In the case of this study it is labor.
BORC	Bill of Resource Costs Allows on-line access to all detailed and up-to-date account information needed to carry out service center operations associated with customer account inquiries, the processing of adjustments and the performance of treatment activities.
BOSS	Billing and Order Support System Provides on-line access to business service representatives and service consultants to reference materials such as yellow page heading, street address, guide, newsletters, account directories, etc.
BRMS	Business Reference Manual System Application that interfaces with the interexchange carriers to provide them with tariffed FCC mandated billing information and optional products.
CARE	Customer Account Record Exchange Consumer group of service representatives taking inbound calls from customers. The service representatives handle inquiries for products and services offered by SBC-East.
CCC	Consumer Call Center Customer Information Window is a client server system that gives one look and feel to the customer contact representative for many of the OSS mainframe systems. Includes mechanized flow thru to the service order system.
CIWIN	Customer Information Window An engineering document the technicians use to build a Centrex common block in the various switch types. It contains features, dial plan names and all stations associated with the Centrex.
Form 10767	N/A

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GEM	Government, Education, Municipal
	Separate Business Channel for Government/Education/Municipal customers.
Global	Global Customer
	This represents customers with alignment to "Fortune 500" and Fortune 1000 companies. Minimum \$10 million in total telecom - budget. The customer has 2 or more states outside their headquartered state. Customer has locations in at least 5 continents with at least 2 countries in each continent.
ILEC	Incumbent Local Exchange Carrier
	The company that provides intralATA telecommunications within a franchised territory.
IPCS	ILEC PIC Change System
	ILEC PIC change system takes in the carrier initiated PIC changes and processes them, sending confirmation back to the carrier and creating service orders to update the CRIS (records) system.
IVR	Interactive Voice Response
	Provides inquiry and update directly to the customer without service representative intervention. Many applications available including Spanish, Business and Residence functions. Routes appropriately if service representative support is required.
LOA	Letter of Authorization
	The letter of authorization is sent to a customer when third party verification cannot take place over the telephone. The LOA is written authorization by the customer that a carrier change can take place and/or blocking protection can be added to the account.
LPIC	Local Presubscription Interexchange Carrier
LSR	Local Service Request
	The IntralATA carrier selected by the customer.
PIC	Presubscription Interexchange Carrier
PIC/LPIC	(see above)
SCRT	Slamming Complaint Resolution Team
Signature	Signature Customer
	Entry format for CLEC ordering of specific local services for their end users.
	The IntralATA carrier selected by the customer.
	PIC or LPIC
	This group resolves all customer slamming complaints.
	Separate Business Channel for large business customers.

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Glossary	
SNAP	Service Negotiation and Processing
SONAR	Service Order Network Administrative Report
SPS	Service Provisioning System
Value	Value Customer

A system designed to assemble and format service order information for simple and small business services without requiring user entry of USOCs. Due date information, telephone number assignment, white pages listing information and SAG validation are integrated into the negotiation process.

A system that is used for order input and distribution to downstream users

Provides on-line entry of ISDN and Centrex provisioning requests. Mechanized means of transmitting Centrex provisioning forms from marketing downstream to network departments. Also provides a means of transmitting information provider requests between C

Small business 1 - 4 lines with no private line services.

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Input

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Input	Value	Source
Completion Date State	August 2005 SBC - Connecticut Study	
Cost Study Title	Presubscribed Interexchange Carrier (PIC) Change Charge	
Cost Study Subtitle 2	Nonrecurring Cost Study	
Study Period - Install Midpoint	2005-2008 2006	
Labor Rate Base Year	2003	
1 2004 Wage Increase	2.0%	2004 Union Labor Contract
2 2005 Wage Increase	2.5%	2004 Union Labor Contract
3 2006 Wage Increase	2.5%	2004 Union Labor Contract
Percent of Orders by Channel		Average % of Consumer Orders (RES) for 12 States
4 Consumer Customer Care	90.61%	Average % of Global Orders (GBL & NAT) for 12 States
5 Global Markets	1.03%	Average % of Signature Orders (SG & ISP) for 12 States
6 Signature Accounts	1.20%	Average % of Value Orders (VAL) for 12 States
7 Value Accounts	5.76%	Average % of GEM Orders (GEM, ENT & FED) for 12 States
8 Government/Education/Municipal (GEM)	1.39%	
	100.00%	
PIC/LPIC Changes per Request by Channel		
9 Consumer Customer Care	1.4	Area Manager - Quality/M&P/Process
10 Global Markets	50	Area Manager - Operations Support (i.e. 25 lines per order, 2 changes per line)
11 Signature Accounts	3	Senior Quality/M&P/Process Manager (i.e. 2 lines per order, 1.5 changes per line)
12 Value Accounts	2	Senior Quality/M&P/Process Manager (i.e. 1 line per order, 2 changes per line)
13 Government/Education/Municipal (GEM)	3	Senior Quality/M&P/Process Manager (i.e. 2 lines per order, 1.5 changes per line)
14 Weighted Avg Changes per Request (All Channels)	2.0	=SUM(Channel Changes per Request * Channel Access Lines) / Total Access Lines
15 Manual PIC/LPIC Transactions	177,988	Area Manager - CARE Process Support
16 Mechanized PIC/LPIC Transactions	111,964	Area Manager - CARE Process Support
17 Total PIC/LPIC Change Transactions	289,952	Total Manual and Mechanized Transactions
18 % Manual	100.00%	Product Management

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Input

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	Input	Value	Source
19	Provide Service Order Computer Cost per Change	\$0.98	IT SO Billed Cost Study (July 2004) 13 state average
20	Provide PIC IT Cost per PIC Change	\$0.46	PIC Processing IT Costs_2003_R2.xls (13 state average)
21	Provide IT Implementation Cost per PIC Change	\$0.73	SBC Regional IT Implementation Costs
22	Overhead Factor	32.17%	SBC ARMIS Overhead Factor PICS 7-25-04
23	Annual Hours (40 hours per week x 52 weeks)	2,080	Cost Analysis Factors Group
24	CARE Labor Support % Dedicated to Support SBC CT - Area Manager IN	25%	Area Manager - CARE Process Support
25	% Dedicated to Support SBC CT - Manager OH	60%	Area Manager - CARE Process Support
26	% Dedicated to Support SBC CT - Service Representative TX (collections)	25%	Manager - ASC
27	Headcount supporting SBC CT - Area Manager IN	1	Area Manager - CARE Process Support
28	Headcount supporting SBC CT - Manager OH	1	Area Manager - CARE Process Support
29	% Dedicated to Support SBC CT - Service Representative TX (collections)	1	Manager - ASC
30	SCRT Labor Support % Dedicated to Support SBC CT - Service Representative	15%	Area Manager - SCRT
31	% Dedicated to Support SBC CT - Customer Advocate	1.7%	Area Manager - SCRT
32	% Dedicated to Support SBC CT - Area Manager	2.3%	Area Manager - SCRT
33	Headcount supporting SBC CT - Service Representative	1	Area Manager - SCRT
34	Headcount supporting SBC CT - Manager	1	Area Manager - SCRT
35	Headcount supporting SBC CT - Area Manager	1	Area Manager - SCRT

SBC - Connecticut Study**Presubscribed Interexchange Carrier (PIC) Change Charge**
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	Input	Value	Source
36	CT - 23XX Service Representative	\$58.86	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
37	CT - 23XX General Office Associate	\$44.32	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
38	CT - 23XX Assistant Manager	\$96.82	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
39	CT - 22XX Service Consultant	\$80.47	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
40	CT - 43XX Manager Technical Support	\$89.07	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
41	CT - 27XX Network Translator	\$62.00	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
42	CT - 43XX Network Technician - Electronic	\$85.49	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
43	CT - 23XX Service Order Reviewer	\$55.25	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
44	CT - 23XX Manager	\$96.82	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
45	IN - 23XX Area Manager	\$68.35	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
46	OH - 23XX Manager	\$72.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
47	CT - 23XX Area Manager	\$119.50	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04